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RUEHKB/AMEMBASSY BAKU 0317
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RUEHUNV/USMISSION UNVIE VIENNA 0061
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DEPT FOR SCA/CEN, EUR/SA (MALIK), EUR/ERA (MCCONAHA), E (WOOSTER), EEB/ESC (COULTER/WRIGHT), AND NEA/IR (GROEN)

E.O. 12958: DECL: 08/11/2018
TAGS: ECON ENRG EPET ETTC TX

SUBJECT: FOREIGN MINISTER MEREDOV ASSERTS TURKMENISTAN'S NEUTRALITY ON IRAN-TURKEY NATURAL GAS AGREEMENT

Classified By: Charge Sylvia Reed Curran for reasons 1.4 (b, d).

- 11. (C) Deputy Chairman/Foreign Minister Rashid Meredov called in the Charge on August 11 to respond to Ref. A demarche on discouraging an Iran-Turkey natural gas agreement. During a one-hour, one-on-one meeting, Meredov outlined Turkmenistan's view of the issue. He said he had briefed President Berdimuhamedov on U.S. concerns about transporting Turkmenistan's gas through Iran to Turkey and opposition to all pipelines to, from, or through Iran. Meredov said that Turkmenistan's positions on relations with Iran and on gas sales were both longstanding. Turkmenistan sells gas at the border. Once the gas is sold, it becomes the property of the new owner, and Turkmenistan is not involved. Gas sold to Gazprom is sold at the border with Uzbekistan, and gas sold to Iran is sold at the Turkmen-Iranian border. Future sales to China and through a TAPI pipeline would be sold at the borders with Uzbekistan and Afghanistan, respectively. Moreover, Turkmenistan tries to cultivate good relations with all its neighbors and has had good commercial and humanitarian/cultural relations with Iran. The two countries do not have "political" relations and do not interfere in each other's internal affairs.
- 12. (C) Meredov said Turkmenistan supports a diversification of pipelines and is ready to work with various states on the principle of mutual benefit and equality. He noted that President Berdimuhamedov has carried out an active policy of expanding friendly relations with many countries, and this has brought positive results. He said that Berdimuhamedov had discussed sending gas to Europe when he was in Brussels. In May, during the visit of EU Energy Minister Piebalgs, Turkmenistan had signed an agreement on cooperation. There is also an active dialogue with Azerbaijan on oil and gas issues (septel).
- 13. (S) Meredov said Turkmenistan has not participated in the negotiations between Turkey and Iran on this agreement. The Turkmen knew nothing about it. When Berdimuhamedov was in Turkey, it was obvious that there were two camps regarding the transportation of Turkmen gas to Turkey and on to Europe. Part of the Turkish leadership wanted to send gas across the Caspian and part wanted to send it through Iran. Meredov said Berdimuhamedov was surprised and annoyed that the Turks did not have one position.
- 14. (C) COMMENT: The Turkmen cling to their policy of

selling gas at the border like a mantra. Beyond any economic simplicity it provides, they evidently believe it inoculates them from the political repercussions of whatever their customers do or don't do with the gas. Even if Iran and Turkey opt to go forward with the plan, the amount of Turkmenistan natural gas exported to Iran in a swap deal is limited by the size of the Korpeje-Kurt-Kui pipeline, which can transport a maximum of 13 billion cubic meters of gas per year. END COMMENT.